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Hearing on Health and Human Services and Education, Training and Volunteerism

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Good morning, and thank you for the opportunity to testify today on the recommendations regarding health and human services programs. I am Will Lightbourne, President of the County Welfare Directors Association of California, and the Director of the Santa Clara County Social Services Agency.

The 58 county human service departments that comprise CWDA's membership recognize and concur with the importance of efficient, effective, and accountable delivery of public services. As an association, we have sponsored or supported legislation to smooth the transition between Medi-Cal and Healthy Families, to reduce unnecessary paperwork in Food Stamps, CalWORKs, and Medi-Cal, and to make our programs easier to access and more customer-friendly. At the local, state, and national levels, we have participated in efforts to simplify Medi-Cal, identify and implement CalWORKs best practices, and reduce our Food Stamp error rate.

We have experienced success with these initiatives. As just one example, California has moved in just two years' time from being one of the most inaccurate Food Stamp administrators to one of the best, thanks to the focused efforts of the state Department of Social Services and county human services departments. California earned kudos from the U.S. Department of Agriculture for this improvement, and the

counties as a group received an Achievement Award from the National Association of Counties for their use of technology and focused partnerships between state-level staff, management, and front-line workers to turn our Food Stamp into a model for others to emulate. In a different program area, counties have been at the forefront of partnering with the Legislature and the state Department of Social Services to implement the child welfare outcomes and accountability system created by Assemblyman Steinberg's landmark AB 636 legislation, a bill that we supported. These successes illustrate what can happen when the government is accountable for program outcomes at all levels, focuses on improving its efficiency and effectiveness, and uses technology in innovative ways to help support these improvements.

Along these same lines, the CPR report presents a wide range of issues and recommendations – some that are easily doable and advisable, and some that represent substantial, long-term structural reform. CWDA supports implementation of many of the immediate, short-term ideas. We still are evaluating the more substantial policy and structural changes. Because my time is limited, I will focus on the two ideas that are arguably the most significant changes in the CPR for human services: the "transformation" of eligibility operations in three of the largest programs, and the realignment of state and local program and funding responsibility in four program areas.

Eligibility

CWDA has been a long-standing advocate for simplification, consolidation, and alignment of programs for low-income California families, including the three programs proposed for restructuring in the CPR. The CPR recommendation of simplifying,

consolidating, and coordinating Medi-Cal, Food Stamps, and CalWORKs eligibility processing is the right *idea*. However, the report misses an opportunity to raise the most fundamental underlying issue regarding efficient and cost-effective eligibility processing: the almost unfathomable complexity of the programs as they operate in California. Three decades of well-meaning but uncoordinated, unstrategic, and incremental policymaking by the state, the federal government, and the courts has led to a serious problem. The programs are too complex, confusing, and unwieldy to be administered with any efficiency, regardless of who it is that administers them. A thorough review of ways to streamline the eligibility processes should thus begin with the issue of program simplification – the *what* – and only then move into the question of *who*.

The CPR lumps these two questions together, and focuses primarily on the latter – the question of *who* administers the programs, not *what* those programs look like. However, CWDA believes it is critically important to understand the difference between these two questions, and to address them *both*, if we are to achieve meaningful reform. As just one example, allow me illustrate the differences between the Medi-Cal and Healthy Families program, as you see on the attached chart. CPR notes that Healthy Families enrollment is less costly for the state than Medi-Cal enrollment, and concludes that Medi-Cal eligibility should also be consolidated at the state level and contracted out to a private entity. In reality, Healthy Families is cheaper to operate because it is vastly simpler than Medi-Cal. There is less reporting by clients, less follow-up information that needs to be collected, and less confusion about which program a child will fit into – there's only one program, not several dozen. You might not realize that for a large

percentage of the applicants, the state's contractor actually uses some of the work done by counties, such as figuring out the family size and the countable income, in determining eligibility. It's no wonder Medi-Cal costs more to administer, but the problem is the *what*, not the *who*.

It is also important to consider the new and unintended inefficiencies that could be created by completely separating eligibility from services. Because families' circumstances change so often, regular communication is needed between the staff providing services and those determining eligibility. Counties have worked hard to break down the barriers between these functions and ensure that staff share information in a timely, accurate way. Separating out the eligibility function could require county services staff to contact a third party to find out if a person is eligible, potentially causing delays in service provision, or the provision of services to persons no longer eligible.

Ideally, the CPR should focus first on how we can recreate these complex programs in a simple, effective, twenty-first-century way, before considering the administrative delivery systems. The discussion should remain open to ideas of private administration, public administration, and public-private partnerships, rather than starting from the conclusion reached in the report and working backwards. The bottom line is, we first need to figure out the *what*, as a distinct question from the *who*.

Realignment

We believe it is useful to consider the optimal alignment of state and local responsibilities, including the responsibility for funding and day-to-day program operations, as well as accountability for program outcomes. We would welcome the

opportunity to participate in a working group, as recommended by the CPR, to talk about possible opportunities for change to the existing structure.

Child Welfare Services and Foster Care are programs in which maximizing local control makes policy sense, as they are integrally woven into their local service networks. In the In-Home Supportive Services program, rising costs and state prescriptiveness have been concerns raised by counties, especially in recent years.

In both of these program areas, however, realignment would not be simple. Several complicated and difficult issues would need to be addressed by the workgroup. In the child welfare area, for example, at what funding level would the program be realigned to the counties? Would it be the current child welfare system, in which county social workers carry caseloads that are far too high to meet even the minimum current state and federal mandates? Or, is it a program that reflects the best-practice recommendations of the legislatively mandated SB 2030 Child Welfare Workload Study released in 2000? And, would the identified revenue source be adequate to continue this level of funding into the future? Second, with regard to program operations, how do you align program authority in a way that allows for maximum local control, commensurate with the local funding responsibility? The report's recommendation to realign program responsibilities to the counties at the same time that it recommends the creation of a new state-level position to take responsibility for the foster care program is an example of the inherent tension that currently exists, and will likely continue to do so, even in an realignment environment. There will be additional issues related to the single statewide agency for child welfare services and the federal requirement for "statewideness" in

implementing program rules. These are not insurmountable obstacles, but will make the creation and composition of the proposed workgroup extremely important.

Conclusion

In conclusion, I want to again express our willingness to play an active role in meaningful reform efforts. We have been involved in past efforts to address the underlying complexity of the programs now operated by counties, as well as the ongoing responsibility for program administration. These are important discussions that we hope to help advance, both in public arenas such as this hearing and in the roll-up-your-sleeves sort of working groups envisioned in the CPR. We appreciate the many hours of hard work that went into the report and appreciate the opportunity to be a part of the discussion here today.

I'll be happy to answer any questions you may have.

Medi-Cal Complexity, Healthy Families Simplicity

Medi-Cal	Healthy Families
Length of time to make eligibility determination:	
45 Days	10 Days
Applications may be received via:	
– Single Point of Entry – CHDP Gateway – Walk-in at county office – Other county-administered program – Referral from Healthy Families – Free School Lunch program (pilot counties) – Presumptive Eligibility at doctors office	– Single Point of Entry – CHDP Gateway – Referral from Medi-Cal
Documentation required for:	
– U.S. citizenship or immigration status – Income – Assets – Deductions – California residency – Pregnancy	– U.S. citizenship or immigration status – Income – Deductions
Separate programs:[1]	
150+ separate aid codes under multiple categories. *Major aid categories include:* – 1931(b) – 1931(b) Sneede – Transitional Medi-Cal/Four-Month Continuing – Medically Needy Only (Share of Cost) – Medically Needy Only Sneede (Share of Cost) – Childrens Percentage Programs o 200% for children 0 to 1 o 133% for children 1 to 6 o 100% for children 6 to 19 – Former Foster Care Children – Minor Consent – Pregnancy Programs – Pickle – Aged/Disabled Federal Poverty Level Programs – 250% Working Disabled – Disabled Adult Child Programs – Long-Term Care Programs – Specified Low-Income Medicare Beneficiaries – Separate coverage programs for persons in need of: o Dialysis o Tuberculosis services o Intravenous Nutrition services o Breast and Cervical Cancer treatment	***One program*** *for children up to age 19 who are ineligible for no-cost Medi-Cal and with family income up to 250% of the federal poverty level.*
Reporting Requirements	
– 10-day reporting requirement for changes in: o Income; o Resources; or o Other circumstances that may affect their eligibility for benefits. – Semiannual, client-completed redetermination form requiring a client signature to continue coverage (most counties cannot pre-print client information).	– No interim reporting of changes – Annual pre-filled redetermination form
Follow-up information/documentation required for eligibility:[2]	
– Statement of Citizenship/Immigration Status – Rights and Responsibilities – Other Health Coverage Form	– Health plan information/choice of plan – Monthly premium – Documentation of status as American Indian or

- Child Support Form (if a parent is absent)
- Retroactive Coverage Form
- Student Education Expenses
- In-Kind Income/Housing Verification
- Property/Resource Verification
- Vocational/Work History
- Authorization to Release Medical Information
- Supplemental Statement of Facts
- Motor Vehicle Worksheet

Alaska Native for waiver of premiums/copays.

State-required follow-up information provided to applicant:

- "Your Rights" brochure
- "Medi-Cal: What it Means To You" booklet
- Brochures on EPSDT, CHDP, and WIC
- Medi-Cal, Long-Term Care Information Notices
- Transitional Medi-Cal Information Form
- Mental Health Benefit Statement
- Voter Registration Information/Form
- Information Regarding Citizenship/Immigration
- Healthy Families Handbook
- Welcome Letter
- Welcome Phone Call

[1]Which programs an application is reviewed for depends on type of applicant. The county works through each potential program in a pre-determined order until it finds the application eligible.
[2]Failure to provide required information could lead to delay or denial of benefits.